

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS**

**Rajya SABHA
UNSTARRED QUESTION NO.2296
TO BE ANSWERED ON 6TH DECEMBER 2016/15TH AGRAHAYANA SAKA, 1938
CIRCULATION OF NEW CURRENCY**

2296. SHRI D. RAJA:

QUESTION

Will the Minister of FINANCE be pleased to state:

- (a) what is the total amount of money in respect of Currency of denomination ₹ 500 and ₹ 1000 in circulation;
- (b) whether Government plans to print an equivalent amount of currency in the new ₹ 2000 and ₹ 500 notes or will the total amount of currency in circulation be reduced; and
- (c) what is the anticipated effect of the demonetisation of the ₹ 500 and ₹ 1000 notes on India's savings to GDP ratio?

ANSWER

MINISTER OF STATE IN THE MINISTRY FOR FINANCE

(SHRI ARJUN RAM MEGHWAL)

(a) & (b): As on November 08, 2016, there were 17165 million pieces of Rs.500 denomination notes and 6858 million pieces of Rs.1000 denomination notes in circulation. Reserve Bank of India periodically estimates and reviews the demand for currency and accordingly places indents for supply with the Presses.

(c) : The cash to GDP ratio in India is more than 11% compared to an average of 4-5% in the developed countries. One of the main objectives of the scheme is to bring back the cash which may either be unaccounted or just lying idle into the banking system. This will bring more resources to the financial institutions which in turn will lead to better credit flow apart from lowering interest rates.
